

**PROCEEDINGS BEFORE THE
WASHINGTON STATE
BOARD OF ACCOUNTANCY**

In the matter of the Certified Public
Accountant (CPA) Certificate and/or
License(s) to practice as a CPA of:

Cecil P. Wilson III, CPA,

Respondent.

NO. ACB-1342

STIPULATION AND
AGREED ORDER

The Washington State Board of Accountancy (Board) and Cecil P. Wilson III (Respondent) stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 The Respondent understands that the State may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges although the State has not done so, in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060.
- 1.2 The Respondent understands that, should the State prevail at hearing based on a statement of charges, the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's certified public accountant certificate or any individual or firm license to practice public accounting as a certified public accountant in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.
- 1.3 The Respondent understands that the Respondent has the right to defend against a statement of charges by requesting a hearing and presenting evidence on the Respondent's behalf and the Respondent voluntarily waives the right to a hearing and all other rights

which may be accorded to the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

- 1.4 The Respondent wishes to expedite the resolution of this matter by means of this Stipulation and Agreed Order and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 The Respondent understands that the Stipulation and Agreed Order is not binding unless it is approved by the Board.
- 1.6 Should this Stipulation and Agreed Order be rejected by the Board and the State proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter other than the consulting board member in this proceeding.
- 1.7 The parties further stipulate to the following Stipulated Facts, Conclusions of Law and Agreed Order:

Section 2: Stipulated Facts

- 2.1 At all times material hereto, Cecil P. Wilson III, the Respondent herein, held a Certified Public Accountant (CPA) certificate (No. 07536, issued July 31, 1981). The certificate lapsed on July 1, 1993, due to the Respondent's failure to renew. The Respondent is currently employed in the state of California.
- 2.2 On March 10, 2011, the Oregon Department of Consumer and Business Services, Workers' Compensation Division, Employer Compliance Unit, ("DCBS") mailed a "Proposed and Final Order Declaring Noncompliance and Assessing Civil Penalty" (Order No. 31721-AB) to the Respondent as the Registered Agent for Birchwood Display LLC.
- 2.3 DCBS found that during the period of August 13, 2009, to March 9, 2010, Birchwood Display LLC was the employer of one or more Oregon subject workers and did not maintain assurance with the Director of DCBS by qualifying as a self-insured employer,

pursuant to Oregon law, nor cause proof of coverage to be filed with DCBS as a carrier-insured employer.

2.4 DCBS concluded that Birchwood Display LLC was in violation of workers' compensation coverage requirements pursuant to Oregon law.

2.5 DCBS ordered that:

2.5.1 Birchwood Display LLC be declared a noncomplying employer for the period of August 13, 2009 to March 9, 2010 and further ordered that Birchwood Display LLC pay a civil penalty of \$5,657.00 for violating Oregon laws.

2.5.2 The noncomplying employer, as well as the members, including members who are managers, including but not limited to the Respondent, shall be jointly and severally liable for all civil penalties assessed under Oregon law and all costs to the Workers' Benefit Fund incurred under Oregon law.

2.6 Neither the Respondent nor Birchwood Display LLC has paid the penalty ordered by DCBS or made any agreement for payment.

2.7 On or about February 3, 2012, the Respondent applied for a license to practice as a CPA in the state of Washington. The Respondent answered "no" to the question on the application: "Since your last valid status have charges been filed by or have you been notified of an investigation undertaken by the SEC, PCAOB, IRS, AICPA, GEO, OIG, or any other federal regulatory or oversight agency or federal standards setting body, another state board of accountancy, or state taxing, insurance or securities regulatory body regarding a prohibited act that would be a violation of board ethical or technical standards?" The Board approved the application the same day. The Respondent holds an individual license to practice public accounting as a CPA in the state of Washington. The license is valid through June 30, 2015.

Based on the foregoing Stipulated Facts, the Board makes the following:

Section 3: Conclusions of Law

- 3.1 The Washington State Board of Accountancy has jurisdiction over the subject matter herein.
- 3.2 WAC 4-25-910 (recodified as WAC 4-30-142) identifies an order of a state regulatory body as contained in Stipulated Facts 2.2 through 2.6 finding that the CPA committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the CPA's fitness to represent themselves as a licensee as prima facie evidence that the CPA engaged in dishonesty, fraud, or negligence and constitutes grounds for discipline under RCW 18.04.295.
- 3.3 The acts and omissions described in Stipulated Facts 2.7 constitutes cause for Board discipline under RCW 18.04.295, for violations of WAC 4 30-040 that requires CPAs to remain honest and objective, to not misrepresent facts and WAC 4-30-048 that requires CPAs to comply with rules, regulations, and professional standards promulgated by the appropriate bodies for each service undertaken and to exercise due care and professional judgment in order to comply with the Professional Code of Conduct issued by the AICPA. WAC 4-30-142(1) identifies fraud or deceit in obtaining a license or in any filings with the Board as bases for the Board to impose discipline.

Section 4: Agreed Order

Based on the Stipulated Facts and Conclusions of Law, Respondent agrees to entry of the following Order:

- 4.1 Respondent's CPA certificate and individual license to practice public accounting in Washington State are hereby SUSPENDED from the date this Order is accepted and entered by the Board.
- 4.2 Prior to and as a condition of the reinstatement of the Respondent's CPA license, the Respondent must:
- 4.2.1 Serve at least three months of suspension.


- 4.2.2 Submit a complete reinstatement application through the Board's online application system or on a form provided by the Board with appropriate fee(s) and satisfactory evidence to document the Respondent's completion of qualifying Continuing Professional Education (CPE) required for reinstatement under Title 4 WAC, including at least four hours of CPE in ethics and regulation applicable to the practice of public accounting in the state of Washington, approved by the Board, and completed during the six-month period immediately preceding the Respondent's application for reinstatement.
- 4.2.3 Comply with all conditions for reinstatement as required by RCW 18.04 and Title 4 WAC in effect at the time of application for reinstatement.
- 4.2.4 Satisfy any other requirements imposed by the Board as a condition for reinstatement.
- 4.2.5 Provide written confirmation from the Oregon Department of Consumer and Business Services, Workers' Compensation Division, Employer Compliance Unit, ("DCBS") that the Respondent has fully complied with the civil penalty imposed by "Proposed and Final Order Declaring Noncompliance and Assessing Civil Penalty" (Order No. 31721-AB) including any accrued interest.
- 4.3 The Board will publish the terms of this Stipulation and Agreed Order.
- 4.4 The Respondent shall not use the designation "CPA" or "certified public accountant" or hold out as a "CPA" or "certified public accountant" unless and until the Board accepts the Respondent's application for reinstatement and issues a license to the Respondent.
- 4.5 Any and all costs involved in complying with this order shall be borne by the Respondent.
- 4.6 Any violation of the terms and conditions of this Agreed Order, chapter 18.04 RCW, and/or Title 4 WAC following the date of acceptance by the Board and notification of such acceptance to the Respondent shall be grounds for denying, suspending, revoking, or

refusing to renew the Respondent's certificate and/or license(s) as provided by chapter 18.04 RCW. The terms of this Stipulation and Agreed Order apply to and resolve only the violations referred to herein.

- 4.7 Nothing in this Order precludes the Board from exercising its authority and responsibilities under chapter 18.04 RCW or Title 4 WAC. Any violations of such chapters not herein addressed or this Order constitute independent grounds as provided for by law for Board action against the Respondent.

I, **CECIL P. WILSON III**, certify that I have read this Stipulation and Agreed Order in its entirety; that I fully understand and agree to all of it, and that it may be presented to the Board without my appearance. If the Board accepts the Stipulation and Agreed Order, I understand that I will receive a signed copy.

DATED this 26th day of November 2012.

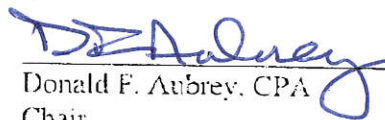

Cecil P. Wilson III
Respondent

Section 5: Order

The Board accepts and enters this Stipulation and Agreed Order.

DATED this 3rd day of December 2012.

WASHINGTON STATE
BOARD OF ACCOUNTANCY


Donald F. Aubrey, CPA
Chair